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November 13, 2001

VIA E-MAIL

**PUBLIC VERSION**

The Honorable Robert B. Zoellick  
U.S. Trade Representative  
OFFICE OF THE U.S. TRADE REPRESENTATIVE  
600 17th Street, N.W.  
Washington, D.C. 20508

*Confidential Business Information Has Been Deleted  
from Page 5 of This Letter*

cc: Mr. Andrew Stephens  
DIRECTOR FOR STEEL TRADE POLICY

Re: *Exclusion Request for GALFAN Coated Steel Flat Products*  
*Section 201 Investigation — Steel*

Dear Mr. Ambassador:

On behalf of RAUTARUUKKI OYJ, a Finnish producer of steel products, we respectfully request the exclusion of GALFAN coated steel flat products from any remedy imposed by the PRESIDENT as a result of this Section 201 investigation. In accordance with the notice published by the OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE on Friday, October

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26, 2001,<sup>1/</sup> we hereby provide the requested information to support this request. Additional information about this product is also contained in nonconfidential Exhibits A, B, and C which appear in the accompanying ADOBE Acrobat (“pdf”) file.

For ease of reference, we have provided the required information in the same order in which it was requested in the *TPSC Public Comments Notice*:

- (1) *The designation of the product under a recognized standard or certification (e.g., ASTM, DIN), or the commercial name for the product and the HTS number under which the product enters the United States*

RAUTARUUKKI OYJ requests the exclusion of GALFAN coated steel sheet and strip products which are imported into the United States under *Harmonized Tariff* numbers 7210.30.00 and 7210.49.30.

- (2) *A description of the product based on physical characteristics (e.g., chemical composition, metallurgical properties, dimensions, surface quality) so as to distinguish the product from products for which exclusion is not sought*

RAGAL® GALFAN is the brand name of RAUTARUUKKI’s zinc-aluminum coated products.<sup>2/</sup> The GALFAN coating consists of 95-percent zinc and five-percent aluminum.

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<sup>1/</sup> *Trade Policy Staff Committee: Public Comments on Potential Action under Section 203 of the Trade Act of 1974 with Regard to Imports of Certain Steel*, 66 Fed. Reg. 54,321 (October 26, 2001) (hereinafter, the “*TPSC Public Comments Notice*”).

<sup>2/</sup> See Exhibit A (RAUTARUUKKI Product Brochure: “RAGAL® GALFAN Zinc-Aluminum (continued...)”).

In comparison to conventional galvanized zinc coatings, the GALFAN coating provides improved corrosion resistance and paintability for steel sheet and coils. The GALFAN coating also offers good formability, allowing rigorous forming operations to be performed without causing cracks in the coating. RAUTARUUKKI offers ten RAGAL steel grades in the categories of formable and high strength formable steels. As for structural steels, RAUTARUUKKI offers six RAGAL steel grades.<sup>3/</sup> The dimension ranges vary based on whether the product is sheet, slit strips, or coils.<sup>4/</sup> The surface quality also varies depending on the sheet thickness and the thickness of the GALFAN coating.<sup>5/</sup>

(3) *The basis for requesting an exclusion*

RAUTARUUKKI OYI is one of only 16 flat-rolled steel producers worldwide who is licensed by the INTERNATIONAL LEAD ZINC RESEARCH ORGANIZATION (“ILZRO”) — the developer of the GALFAN coating — to produce GALFAN coated products.<sup>6/</sup> WEIRTON STEEL CORPORATION

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<sup>2/</sup>(...continued)

Coated Steel Sheet”) and Exhibit B (RAUTARUUKKI Product Brochure: “Hot-Dip Zinc Coated Coils and Sheets — Production Program”).

<sup>3/</sup> See Exhibit A at page 5 for the mechanical properties of these steel grades (RAUTARUUKKI’s RAGAL® GALFAN brochure).

<sup>4/</sup> See Exhibit A at page 6.

<sup>5/</sup> See Exhibit A at page 6.

<sup>6/</sup> See Exhibit C for a complete listing of GALFAN licensees.

is the only mill in the United States that produces GALFAN coated flat-rolled products, but WEIRTON does not produce sufficient quantities and dimensions to satisfy U.S. demand.

- (4) *The names and locations of any producers, in the United States and foreign countries, of the product*

The only licensed producer of GALFAN coated flat products in the United States is WEIRTON STEEL CORPORATION located in Weirton, West Virginia. The other 15 licensees are located in Austria, Belgium, China, Finland, France, Germany, Great Britain, Japan, and the Philippines.<sup>7/</sup>

- (5) *Total U.S. consumption of the product, if any, by quantity and value for each year from 1996 to 2000, and projected annual consumption for each year from 2001 to 2005, with an explanation of the basis for the projection*

RAUTARUUKKI does not have sufficient information on the domestic consumption of GALFAN steel products to offer even an estimate of total U.S. consumption. RAUTARUUKKI understands that domestic demand is significantly greater than domestic production. However, it is not possible to quantify the level of imports because the *HTS* subheadings do not allow for the separation of GALFAN products from other galvanized steel products.

TOTAL U.S. CONSUMPTION	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
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<sup>7/</sup> See Exhibit C for a complete listing of GALFAN licensees.

QUANTITY										
VALUE										

- (6) *Total U.S. production of the product for each year from 1996 to 2000, if any*

TOTAL U.S. PRODUCTION	1996	1997	1998	1999	2000
(IN NET TONS)	[				]

- (7) *The identity of any U.S.-produced substitute for the product, total U.S. production of the substitute for each year from 1996 to 2000, and the names of any U.S. producers of the substitute.*

There is no product which can substitute for GALFAN coated steel flat products.

TOTAL U.S. PRODUCTION OF SUBSTITUTE	1996	1997	1998	1999	2000
	N/A	N/A	N/A	N/A	N/A

In accordance with the *TPSC Public Comments Notice*, we are submitting this exclusion request not later than noon on Tuesday, November 13, 2001. In addition, we have elected to file this request electronically to FR0001@ustr.gov, as provided in the *TPSC Public Comments Notice*.

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RAUTARUUKKI requests proprietary treatment for confidential business information deleted from page 5 of this letter which contains confidential production and shipment information. Disclosure of such information would cause substantial competitive harm to RAUTARUUKKI.

The Honorable Robert B. Zoellick  
November 13, 2001  
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**PUBLIC VERSION**

Pursuant to 15 C.F.R. § 2003.6, the term "PUBLIC VERSION" appears on every page confidential business information has been deleted.

A business confidential version of this letter is being submitted today under separate cover.

Please do not hesitate to contact the undersigned if you have any questions.

Respectfully submitted,

/ s /

Frederick P. Waite  
Kimberly R. Young

*Counsel for RAUTARUUKKI OYJ*

Attachments

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